
SANDY BAY OJIBWAY FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

SANDY BAY OJIBWAY FIRST NATION

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MARCH 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Sandy Bay Ojibway First Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The management maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the organization's assets are appropriately accounted for and adequately safeguarded.


Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

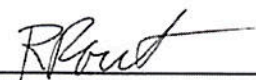
The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Sandy Bay Ojibway First Nation and meet when required.



Chief



Councillor



Councillor

Councillor

INDEPENDENT AUDITORS' REPORT

To the Members
Sandy Bay Ojibway First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Sandy Bay Ojibway First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of consolidated statement of operations, consolidated statement of changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sandy Bay Ojibway First Nation as at March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Qualified Opinion**Sandy Bay Aboriginal Skills And Employment Training Strategy (ASETS)**

We have been unable to satisfy ourselves with the existence and completeness of the recorded payables and deferred revenue liability, completeness and classification of deferred revenue income and expense, and program expenditures. There were changes to the financial reporting process during the year, which resulted in program revenue and expenditures not being recorded completely, and was not susceptible to proper audit verification and procedures. As a result, we were not able to assess whether potentially material adjustments were required to accounts payable, deferred revenue liability, deferred revenue income and expense, and program expenses.

Sandy Bay Smoke Shop

We have been unable to satisfy ourselves with the existence and completeness of the recorded revenues, expenses, receivables and payables. We were provided with incomplete records which were not susceptible to proper audit verification and procedures. As a result, we were not able to assess whether potentially material adjustments were required to revenues, expenses, receivables and payables.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Sandy Bay Ojibway First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Sandy Bay Ojibway First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Sandy Bay Ojibway First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Sandy Bay Ojibway First Nation's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sandy Bay Ojibway First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sandy Bay Ojibway First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Sandy Bay Ojibway First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(continued.....)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
May 20, 2021

SANDY BAY OJIBWAY FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2020	2019 (Restated)
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 11,702,738	\$ 5,852,579
Restricted cash (Note 4)	28,319	27,549
Investments	151,300	151,300
Term deposits	342,004	340,106
Accounts receivable (Note 5)	<u>1,787,160</u>	<u>1,228,556</u>
Total financial assets	<u>14,011,521</u>	<u>7,600,090</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	4,346,313	6,525,614
Deferred revenue (Note 8)	3,316,434	1,997,567
Long-term debt (Note 9)	<u>13,945,798</u>	<u>10,027,857</u>
Total liabilities	<u>21,608,545</u>	<u>18,551,038</u>
Net debt	<u>(7,597,024)</u>	<u>(10,950,948)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	57,565,549	51,753,938
Inventory	20,026	55,649
Prepaid expenses & other current assets	<u>166,970</u>	<u>319,339</u>
Total non-financial assets	<u>57,752,545</u>	<u>52,128,926</u>
Accumulated surplus	<u>\$ 50,155,521</u>	<u>\$ 41,177,978</u>
Contingent liabilities (Note 11)		

Approved on behalf of Chief and Council

Chief

Councillor

Councillor

Councillor

SANDY BAY OJIBWAY FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2020	2019 (Restated)
REVENUE			
Indigenous Services Canada (Note 12)	\$ 31,864,837	\$ 35,079,290	\$ 26,210,126
First Nations and Inuit Health Branch	6,933,618	7,059,818	6,219,545
First Peoples Development Inc		1,086,513	1,491,043
Canada Mortgage and Housing Corporation	710,079	722,345	558,659
Contributions from band entities and sundry	4,062,986	7,014,384	6,176,098
Gaming Revenue		3,848,230	3,344,610
Province of Manitoba	270,839	358,839	104,848
Rental Income	478,780	1,140,853	768,033
	<u>44,321,139</u>	<u>56,310,272</u>	<u>44,872,962</u>
EXPENDITURES			
Aboriginal Skills and Employment Training		1,319,048	1,893,006
Band Government	3,091,969	3,062,856	3,386,702
Bulk Fuel		666,725	574,210
Community Services	3,251,114	5,412,674	5,020,009
Economic Development	26,590	7,789	26,589
Education Services	14,488,668	15,092,729	12,131,637
Emergency Measures		348,235	
Housing Authority	900,911	2,410,492	1,877,608
Medical Services	7,927,920	6,077,511	5,382,702
Other Services	84,345	1,529,342	1,115,812
Smoke Shop		158,821	981,722
Social Services	7,780,787	8,816,837	7,760,242
Tobacco Tax		531,557	1,062,749
Video Lottery Terminal	-	1,847,056	2,493,293
	<u>37,552,304</u>	<u>47,281,672</u>	<u>43,706,281</u>
ANNUAL SURPLUS	6,768,835	9,028,600	1,166,681
ACCUMULATED SURPLUS, beginning of year	41,177,978	41,177,978	35,914,302
Change in net assets invested in capital assets		(51,057)	
Restatement on consolidation of SBHAI (Note 3)	-	-	4,096,995
ACCUMULATED SURPLUS, end of year	<u>\$ 47,946,813</u>	<u>\$ 50,155,521</u>	<u>\$ 41,177,978</u>

SANDY BAY OJIBWAY FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 0	2 0 1 9 <i>(Restated)</i>
Annual surplus (deficit)	\$ <u>6,768,835</u>	\$ <u>9,028,600</u>	\$ <u>1,166,681</u>
Acquisition of tangible capital assets		(7,947,656)	(3,257,115)
Amortization of tangible capital assets		3,524,640	3,003,215
Completion of construction in progress		546,989	
Acquisition of construction in progress	<u>-</u>	(1,935,584)	<u>-</u>
	<u>-</u>	(5,811,611)	(253,900)
Acquisition of supplies and inventories		(20,026)	(55,649)
Acquisition of prepaid expenses		(166,970)	(319,339)
Use of supplies and inventories		55,649	34,650
Use of prepaid expenses	<u>-</u>	<u>319,339</u>	<u>355,426</u>
	<u>-</u>	<u>187,992</u>	<u>15,088</u>
CHANGE IN NET DEBT FOR YEAR	6,768,835	3,404,981	927,869
NET DEBT, <i>beginning of year</i>	(10,950,948)	(10,950,948)	(12,184,657)
Change in net assets invested in capital assets		(51,057)	
Restatement on consolidation of SBHA (Note 3)	<u>-</u>	<u>-</u>	<u>305,840</u>
NET DEBT, <i>end of year</i>	\$ <u>(4,182,113)</u>	\$ <u>(7,597,024)</u>	\$ <u>(10,950,948)</u>

SANDY BAY OJIBWAY FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2020	2019
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from Indigenous Services Canada	\$ 35,079,290	\$ 26,210,126
Cash receipts from FNIHB	7,059,818	6,219,545
Cash received from funding and other sources	14,931,427	12,803,906
Cash paid to suppliers and employees	(45,431,190)	(42,172,602)
Interest paid	(370,106)	(310,965)
	<u>11,269,239</u>	<u>2,750,010</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets	(9,336,251)	(3,257,115)
Interest on term deposits	<u>1,898</u>	<u>1,455</u>
	<u>(9,334,353)</u>	<u>(3,255,660)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	4,822,392	2,141,306
Repayment of long term debt	(904,451)	(878,942)
	<u>3,917,941</u>	<u>1,262,364</u>
NET INCREASE IN CASH DURING YEAR	5,852,827	756,714
CASH, <i>beginning of year</i>	<u>6,220,234</u>	<u>5,463,520</u>
CASH, <i>end of year</i>	<u>\$ 12,073,061</u>	<u>\$ 6,220,234</u>
CASH COMPRISED OF		
Cash and cash equivalents	\$ 8,340,463	\$ 2,650,719
Restricted cash and term deposits	593,793	565,330
Replacement reserve account	308,048	173,428
Restricted funds for capital spending	<u>2,830,757</u>	<u>2,830,757</u>
	<u>\$ 12,073,061</u>	<u>\$ 6,220,234</u>

SANDY BAY OJIBWAY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

1. NATURE OF OPERATION

Sandy Bay Ojibway First Nation (the Nation) is a non-profit, non-taxable entity and is engaged in the social, cultural and economic development of its members. Sandy Bay Ojibway First Nation financial reporting entity includes all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies.

REPORTING ENTITY

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity. The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Sandy Bay Ojibway First Nation Administration	100% owned
- Sandy Bay Housing Authority	100% owned
- Sandy Bay Housing Authority Inc.	100% owned
- Sandy Bay Ojibway Health Centre	100% owned
- Sandy Bay Ojibway Education (Isaac Beaulieu Memorial School)	100% owned
- Sandy Bay Ojibway First Nation VLT and Community Complex Centre	100% owned
- Sandy Bay Ojibway First Nation Tobacco Tax Rebate	100% owned
- Sandy Bay Bulk Fuel	100% owned
- Sandy Bay Aboriginal Skills and Education Training Strategy	100% owned
- Sandy Bay Ojibway First Nation Radio	100% owned
- Sandy Bay Ojibway Smoke Shop	100% owned

All inter-entity balances have been eliminated on consolidation. However, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

BASIS OF PRESENTATION

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of the legal obligation to pay.

CASH AND CASH EQUIVALENTS

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted - average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**REPLACEMENT RESERVE*

The reserves are required by agreements with funders for the replacement of capital assets. This balance consists of a net accumulation of the levy on operations and expenditures paid for by the reserve since inception.

ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, inventory and prepaid expenses.

NET DEBT

The Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Tangible capital assets are amortized annually using the straight line method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives:

Roads and Light	25-40 years straight line basis
Water and Wastewater	30-40 years straight line basis
Commercial Buildings	4-40 years straight line basis
Residential Buildings	15-40 years straight line basis
Equipment	3-15 years straight line basis
Automotive	5-10 years straight line basis

In the year of acquisition, amortization is taken at one-half of the estimated useful life.

CMHC housing amortization method: amortization of the buildings purchased using mortgaged funds provided by CMHC is not calculated based on the estimated useful lives of the assets, but rather at a rate equal to the annual principal reduction of the mortgage.

EMPLOYEE FUTURE BENEFITS

The Nation's employee future benefit program consists of a defined contribution pension plan. Nation contributions to the defined contribution plan are expensed as incurred. Total contributions for the year were \$464,624 (2019 - \$460,166).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**SEGMENTS*

The Nation conducts its business through thirteen reportable segments as identified in Note 18. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

The First Nation's segments are as follows:

Band Government - includes administration and governance activities.

Community Services - includes activities for the maintenance of the community and its infrastructure.

Education Services - includes the operations of education programs.

Economic Development - includes activities related to the economic development of the community, including its commercial operations.

Social Services - activities include delivering social programs.

Housing Authority - includes activities related to the development and sustainment of on-reserve and off-reserve housing.

Other Services – include activities related to postal, correctional and communication services.

Tobacco Tax - include activities related to the distribution of tobacco tax revenues.

Bulk Fuel and Convenience Store - include activities related to fuel and convenience services.

Video Lottery Terminals (VLT) – include activities related to gaming services.

Aboriginal Skills and Employment Training Strategy (ASETS) – activities include providing skills and employment training services.

Smoke Shop - include selling of cigarettes and tobacco products.

Medical Services - reports on the Nation's funding related to health and wellness.

Major Capital - include major capital projects.

Emergency Measures - includes assistance to community members due to Covid-19 and severe weather events.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)****REVENUE RECOGNITION***

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulations are settled.

Other revenue is recognized by the Nation when services are provided or goods are shipped. The Nation recognizes gaming revenues on a net win basis (the difference between gaming wins and losses), including table games and slot machines, on a daily basis. Gaming revenues are net of commissions paid to Manitoba Lotteries Corporation, and net of accruals for anticipated payout's of progressive slot machine jackpots and certain progressive table game payout's. Management believes that it is appropriate to present these commissions net of gaming revenues as these amounts are fixed as per their agreement with Manitoba Lotteries Corporation.

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

MEASUREMENT UNCERTAINTY

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

3. PRIOR PERIOD ADJUSTMENTS

During the year, the record keeping for Sandy Bay Housing Authority Inc. (a 100% owned subsidiary) was updated to March 31, 2020. Accordingly, the cumulative balances as at March 31, 2019 have been included in the prior period. From current year, Sandy Bay Housing Authority Inc. has been incorporated in these consolidated financial statements by including the transactions and balances.

The following table outlines the impact of this change on the prior period:

	As previously reported	Increase (Decrease)	Restated
Assets and liabilities			
Cash and cash equivalents	\$ 5,852,579	\$	\$ 5,852,579
Restricted cash	27,549		27,549
Investments	151,300		151,300
Term deposits	340,106		340,106
Accounts receivable	<u>846,287</u>	<u>382,268</u>	<u>1,228,555</u>
Total financial assets	<u>7,217,821</u>	<u>382,268</u>	<u>7,600,089</u>
Accounts payable and accrued liabilities	(6,434,812)	(90,802)	(6,525,614)
Deferred revenue	(1,997,567)		(1,997,567)
Long term debt	<u>(10,042,231)</u>	<u>14,374</u>	<u>(10,027,857)</u>
Total liabilities	<u>(18,474,610)</u>	<u>(76,428)</u>	<u>(18,551,038)</u>
Net debt	<u>(11,256,789)</u>	<u>305,840</u>	<u>(10,950,949)</u>
Tangible capital assets			
Tangible capital assets	47,962,784	3,791,154	51,753,938
Inventory	55,649		55,649
Prepaid expenses and other current assets	<u>319,339</u>	<u>-</u>	<u>319,339</u>
Total non-financial assets	<u>48,337,772</u>	<u>3,791,154</u>	<u>52,128,926</u>
Retained earnings	<u>\$(37,080,983)</u>	<u>\$(4,096,995)</u>	<u>\$(41,177,977)</u>

4. RESTRICTED CASH

Funds held in trust on behalf of the Nation's members by the Government of Canada Ottawa Trust Fund are reported as restricted cash. Trust monies consist of:

- a) Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- b) Revenue trust monies generated primarily through land transactions or interest earned on deposits held in trust.

	2020	2019
Ottawa Trust Fund	\$ <u>28,319</u>	\$ <u>27,549</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

5. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada	\$ 676,093	\$ 327,828
Health Canada	138,007	
Canada Mortgage and Housing Corporation	117,657	67,586
Province of Manitoba	202,826	70,424
Goods and services tax	54,137	39,579
Members receivable	232,061	232,061
Rent receivable	178,444	163,395
Receivable from Dakota Ojibway Tribal Council Housing Authority Inc.	321,114	385,268
Trade and other	<u>277,326</u>	<u>337,870</u>
Subtotal	2,197,665	1,624,011
Less: Allowance for doubtful accounts	(410,505)	(395,456)
	<u>\$ 1,787,160</u>	<u>\$ 1,228,555</u>

6. BANK INDEBTEDNESS

Sandy Bay Ojibway First Nation has an approved line of credit of \$500,000 from Peace Hills Trust. The line of credit bears interest at the bank's prime rate plus 3% (effective rate 6%), calculated and payable monthly. It is secured by a general security agreement covering all fixed and floating assets, including any future acquired property of the Sandy Bay Ojibway First Nation registered with the personal property registry, Manitoba. At March 31, 2020 Sandy Bay Ojibway First Nation had not withdrawn funds under this facility.

Sandy Bay Ojibway First Nation has an approved long term loan of \$3,200,000 from Peace Hills Trust. The proceeds will be utilized for a multiplex project under construction. At March 31, 2020 Sandy Bay Ojibway First Nation had not withdrawn funds under this facility. Further, another amount of \$1,196,000 was approved by the First Peoples Economic Growth Fund for this project, however, at March 31, 2020 Sandy Bay Ojibway First Nation had not withdrawn funds under this facility.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 0	2 0 1 9
Indigenous Services Canada	\$ 41,882	\$ 44,980
Health Canada	191,785	191,785
Government remittances payable	14,654	9,110
Trade and accrued liabilities	<u>4,097,992</u>	<u>6,279,739</u>
	<u>\$ 4,346,313</u>	<u>\$ 6,525,614</u>

Included in trade and accrued liabilities are old debt payables amounting to \$409,454. The management is in the process of negotiating and settling these old debts with the respective vendors/contractors. During the year, negotiated settlements were made for the payment of accounts payable totalling \$2,899,757, resulting in a gain on settlements amounting to \$815,923 recorded in these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
8. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
Community economic development program	\$ 268,800	\$
Education local services	1,476,775	
FN school second level	201,378	
Consulting and policy development	20,000	20,000
Child and family services		480,439
Immediate needs renos	258,747	137,000
PIDP - Plan/Risk Management	65,759	17,784
Fire smart	20,000	
Financial management governance	378,000	162,000
Water treatment plant	303,435	465,450
Capital roads upgrade		300,000
Basic needs	50,000	50,000
Others		
Bipole III	37,765	37,765
Aboriginal Skill and Employment Training Strategy	207,466	298,820
CMHC burnout	<u>28,309</u>	<u>28,309</u>
	<u>\$ 3,316,434</u>	<u>\$ 1,997,567</u>

9. LONG-TERM DEBT

Canada Mortgage and Housing Corporation - 18 unit mortgage bearing interest at 1.92% per annum, repayable at \$4,352 per month including interest. The mortgage matures on February 1, 2023, with a renewal date of May 1, 2020 and is secured by a ministerial guarantee and assignment of fire insurance.

\$ 148,052 \$ 196,929

Canada Mortgage and Housing Corporation - 14 unit mortgage bearing interest at 2.50% per annum, repayable at \$5,252 per month including interest. The mortgage matures on March 1, 2033, with a renewal date of June 1, 2023 and is secured by a ministerial guarantee and assignment of fire insurance.

699,392 744,364

Canada Mortgage and Housing Corporation - 25 unit mortgage bearing interest at 2.11% per annum, repayable at \$7,624 per month including interest. The mortgage matures on December 1, 2033, with a renewal date of May 1, 2020 and is secured by a ministerial guarantee and assignment of fire insurance.

1,091,729 1,159,452

Canada Mortgage and Housing Corporation - 23 unit mortgage bearing interest at 2.11% per annum, repayable at \$6,471 per month including interest. The mortgage matures on December 1, 2033, with a renewal date of May 1, 2020 and is secured by a ministerial guarantee and assignment of fire insurance.

926,555 984,032

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG-TERM DEBT *(continued)*

	2 0 2 0	2 0 1 9
Canada Mortgage and Housing Corporation - 8 unit mortgage bearing interest at 1.50% per annum, repayable at \$3,800 per month including interest. The mortgage matures on July 1, 2037, with a renewal date of July 1, 2022 and is secured by a ministerial guarantee and assignment of fire insurance.	695,876	730,759
Canada Mortgage and Housing Corporation - 15 unit mortgage bearing interest at 2.68% per annum, repayable at \$6,610 per month including interest. The mortgage matures on October 1, 2038, with a renewal date of October 1, 2023 and is secured by a ministerial guarantee and assignment of fire insurance.	1,161,441	1,209,039
Canada Mortgage and Housing Corporation - 10 unit mortgage bearing interest at 1.04% per annum, repayable at \$5,633 per month including interest. The mortgage matures on March 1, 2041 with a renewal date of March 1, 2021 and is secured by a ministerial guarantee and assignment of fire insurance.	1,274,950	1,328,976
TD Canada Trust - 18 unit mortgage bearing interest at 4.30% per annum, repayable in monthly blended payments of \$4,833. The mortgage matures on February 1, 2020 and is secured by a ministerial guarantee, a CMHC undertaking and an assignment of fire insurance.		52,045
Peace Hills Trust Loan bearing interest at 5.50% per annum, repayable at \$6,970 per month including interest. The loan renewal date is March 1, 2023 and is secured by a first charge blanket mortgage over off reserve homes, an assignment of Sandy Bay Housing Authority rent and leases, a first ranking general security agreement over all fixed and floating assets of Sandy Bay Housing Authority, a general security agreement over all fixed and floating assets of Sandy Bay Ojibway First Nation, a demand promissory note for \$1,151,500 and an assignment of fire, all risks and perils insurance.	963,502	994,070
Peace Hills Trust Loan bearing interest at 5.50% per annum. The loan will mature on June 1, 2022 and was secured by a continuing security agreement over present and future acquired property of Sandy Bay Ojibway First Nation, assignment of monies, and an assignment of fire, all risks and perils insurance.	330,132	490,524

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG-TERM DEBT *(continued)*

	2 0 2 0	2 0 1 9
Canada Mortgage and Housing Corporation - 15 unit mortgage bearing interest at 2.22% per annum, repayable at \$10,068 per month including interest. The mortgage matures on January 1, 2039 with a renewal date of January 1, 2024 and is secured by a ministerial guarantee and assignment of fire insurance.	1,859,825	1,938,501
Canada Mortgage and Housing Corporation - 10 unit mortgage bearing interest at 1.72% per annum, repayable at \$11,096 per month including interest. The mortgage matures on March 1, 2040, with a renewal date of March 1, 2025 and is secured by a ministerial guarantee.	2,253,186	
Canada Mortgage and Housing Corporation - 9 unit mortgage bearing interest at 1.73% per annum, repayable at \$6,114 per month including interest. The mortgage matures on August 1, 2044, with a renewal date of August 1, 2024 and is secured by a ministerial guarantee.	1,462,025	
Peace Hills Trust Loan bearing interest at 5.50% per annum. The loan will mature on April 1, 2023 and was secured by a continuing security agreement over present and future acquired property of Sandy Bay Ojibway First Nation, assignment of monies, and an assignment of fire, all risks and perils insurance.	<u>1,079,133</u>	<u>199,166</u>
	<u>\$ 13,945,798</u>	<u>\$ 10,027,857</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions are estimated to be as follows:

March 31, 2021	\$ 987,261
2022	991,855
2023	840,534
2024	806,126
2025	819,506

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Transfers	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Adjustments	Closing Balance	Total 2020	Total 2019
Construction in Progress	\$ 8,779,837	\$ 1,935,584	\$ 546,989	\$ 10,168,432	\$	\$	\$	\$	\$ 10,168,432	\$ 8,779,837
Land	33,884			33,884					33,884	33,884
Road and Lights	36,024,875	300,000		36,324,875	25,070,784	1,036,833		26,107,617	10,217,258	10,954,091
Water and Wastewater	2,986,242			2,986,242	1,669,669	82,711		1,752,380	1,233,862	1,316,573
Commercial Buildings	8,533,340	704,853		9,238,193	5,184,755	217,119		5,401,874	3,836,319	3,348,585
Residential Buildings	35,462,650	5,063,221		40,525,871	11,872,039	1,361,476		13,233,515	27,292,356	23,590,611
Equipment	4,844,507	424,770		5,269,277	3,400,699	289,499		3,690,198	1,579,079	1,443,808
Automotive	4,985,981	1,454,812	-	6,440,793	2,699,432	537,002	-	3,236,434	3,204,359	2,286,549
	<u>\$ 101,651,316</u>	<u>\$ 9,883,240</u>	<u>\$ 546,989</u>	<u>\$ 110,987,567</u>	<u>\$ 49,897,378</u>	<u>\$ 3,524,640</u>	<u>\$ -</u>	<u>\$ 53,422,018</u>	<u>\$ 57,565,549</u>	<u>\$ 51,753,938</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020**

11. CONTINGENT LIABILITIES

- The Organization receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made.
- A claim for \$343,876 for the management services has been filed at the Manitoba Court of Queen's Bench against the Nation by the former contractor of the Smoke Shop. The First Nation is counter suing the claim for the contractual obligations as they were not fulfilled by the contractor. The eventual outcome of the matter is uncertain, and the Nation believes that the matter will eventually be settled in their favour. No liability for \$343,876 has been accrued for this claim.
- A claim for \$129,443 for work completed and materials delivered under a contract has been filed at the Manitoba Court of Queen's Bench against the Nation by a former contractor. The First Nation has settled the claim subsequent to the balance sheet date.
- A grievance application was filed with Manitoba Government and General Employee's Union regarding four day work week implemented in the past. As per the letter received from the legal counsel, the maximum potential liability in this matter is \$250,000. The matter has currently been referred to the arbitration and the management is hopeful to get a favourable outcome from the decision, hence no liability has been recorded in these consolidated financial statements.
- A national accounting firm has conducted an audit of funding agreements between Indigenous Services Canada and the Nation for the years 2013/14 and 2014/15. There may be a potential recovery by Indigenous Services Canada for between \$350,000. The likelihood of loss is uncertain at this point of time, pending the outcome of the report, thus, no liability has been accrued to reflect this potential recovery of funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

12. RECONCILIATION OF INDIGENOUS SERVICES CANADA

	2 0 2 0	2 0 1 9
Indigenous Services Canada funding as per agreement #1718-MB-000051	\$ 36,489,512	\$ 27,075,335
Plus: Revenue deferred from previous years		
Consulting and policy development	20,000	
Capital roads upgrade	300,000	683,477
Immediate needs response	137,000	29,115
Financial management governance	162,000	5,495
Contribution revenue SW experience		54,687
Child and family services	480,439	
Water treatment plant	465,450	
PIDP - Plan/Risk Management	17,783	
Basic needs	50,000	
Less: Revenue deferred and Indigenous Services Canada recoveries		
Summer student program (recovery)		(5,310)
Community economic development program	(268,800)	
Fire smart	(20,000)	
Consulting and policy development	(20,000)	(20,000)
Capital roads upgrade		(300,000)
Child and family services		(480,440)
Immediate needs response	(258,747)	(137,000)
PIDP - Plan/Risk Management	(65,759)	(17,783)
Water treatment plant	(303,435)	(465,450)
Basic needs	(50,000)	(50,000)
Special education program - high cost	(1,476,775)	
FN school second level	(201,378)	
Financial management governance	(378,000)	(162,000)
TOTAL INDIGENOUS SERVICES CANADA REVENUE PER FINANCIAL STATEMENTS	\$ <u>35,079,290</u>	\$ <u>26,210,126</u>

13. ECONOMIC DEPENDENCE

Sandy Bay Ojibway First Nation receives the majority of its revenue from the department of Indigenous Services Canada (I.S.C.) and First Nation and Inuit Health Branch (F.N.I.H.B.) as a result of Treaties entered into with the Government of Canada. These treaties are administered by I.S.C. and F.N.I.H.B. under the terms and conditions of the Indian Act. The ability of the Nation to continue its operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties. Simultaneously the Nation is also attempting to develop alternate sources of revenue in order to become self-sufficient.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

14. REPLACEMENT RESERVES

Under the terms of the operating agreements with CMHC, the Replacement Reserve is to be credited with an annual allocation of \$153,613. These funds along with accumulated interest must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal.

The annual charge is accounted for as an operating expenditure. Interest on these reserve funds is credited directly to the reserve and not recognized as revenue. Expenditures funded by the reserve are charged directly to the reserve and not recognized as operating expenditures.

	Housing	FNIHB	2 0 2 0	2 0 1 9
Balance, beginning of the year	\$ 1,540,227	\$ 289,957	\$ 1,830,184	\$ 1,667,995
Allocation for the year	153,613	24,540	178,153	162,189
Adjustment for maturing units	(249,908)	-	(249,908)	-
	<u>\$ 1,443,932</u>	<u>\$ 314,497</u>	<u>\$ 1,758,429</u>	<u>\$ 1,830,184</u>

15. RELATED PARTY TRANSACTIONS

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sales of products.

Due to the significant volume of transactions between the Sandy Bay Ojibway First Nation and related parties, aggregate revenue and expenditures derived from related parties is not determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 0	2 0 1 9
Amortization	\$ 3,524,640	\$ 3,003,215
Bank and interest charges	370,106	310,665
Contract services	1,176,724	1,250,214
Cost of sales	2,084,130	2,456,271
Donation	171,930	52,539
Fuel	443,540	402,880
Insurance	555,871	542,563
Material and supplies	1,904,850	1,327,809
Other	5,025,404	3,257,245
Professional fees	1,538,688	1,538,103
Repair and maintenance	1,000,398	570,638
Salaries and benefits	17,333,456	17,074,237
Social assistance	6,313,581	7,050,647
Telecommunication	145,732	152,607
Training and workshop	2,812,533	1,938,556
Travel	943,269	898,005
Utilities	<u>1,936,820</u>	<u>1,880,087</u>
	<u>\$ 47,281,672</u>	<u>\$ 43,706,281</u>

17. BUDGET INFORMATION

Unaudited budget figures have been provided for comparison purposes which have been derived from the estimates prepared by the Nation.

18. COVID-19

The safety measures to combat COVID-19 and the government response continue to evolve and change quickly. It is management's opinion that the Nation has adequately adapted to the impact of this pandemic and will continue to maintain operations for the foreseeable future. While management will continue to monitor and evaluate the implications of the pandemic, it is difficult to predict the extent and duration this pandemic could have on the future finances and operations of the Nation.

19. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

18. SEGMENT DISCLOSURE

The presentation by segment is based on the same accounting policies as described in the Summary of Significant Accounting Policies as described in Note 2 to the financial statements. The segment results for the year are as follows:

	Band Government		Community Services		Education Services		Economic Development		Social Services	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue										
Federal Government										
I.S.C.	\$ 1,747,517	\$ 2,253,836	\$ 4,822,889	\$ 3,013,776	\$ 16,538,427	\$ 12,028,399	\$ 7,789	\$ 276,589	\$ 8,829,702	\$ 7,627,025
FNIHB										
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal	1,747,517	2,253,836	4,822,889	3,013,776	16,538,427	12,028,399	7,789	276,589	8,829,702	7,627,025
Other revenue	<u>3,325,582</u>	<u>1,880,996</u>	<u>952,036</u>	<u>620,272</u>	<u>372,049</u>	<u>839,698</u>	-	-	<u>20,668</u>	<u>7,851</u>
Total revenue	<u>5,073,099</u>	<u>4,134,832</u>	<u>5,774,925</u>	<u>3,634,048</u>	<u>16,910,476</u>	<u>12,868,097</u>	<u>7,789</u>	<u>276,589</u>	<u>8,850,370</u>	<u>7,634,876</u>
Expenses										
Amortization	12,891		1,554,424	1,478,893	265,709	102,580				
Debt servicing	86,046	75,655		69	2,418	4,206			11,649	11,739
Salaries and benefits	1,392,666	1,646,183	1,580,837	1,042,046	8,496,202	8,449,145			513,831	143,232
Other	<u>1,571,253</u>	<u>1,664,864</u>	<u>2,277,413</u>	<u>2,499,001</u>	<u>6,328,400</u>	<u>3,575,706</u>	<u>7,789</u>	<u>26,589</u>	<u>8,291,357</u>	<u>7,605,271</u>
Total expenses	<u>3,062,856</u>	<u>3,386,702</u>	<u>5,412,674</u>	<u>5,020,009</u>	<u>15,092,729</u>	<u>12,131,637</u>	<u>7,789</u>	<u>26,589</u>	<u>8,816,837</u>	<u>7,760,242</u>
Surplus (Deficit)	\$ <u>2,010,243</u>	\$ <u>748,130</u>	\$ <u>362,251</u>	\$ <u>(1,385,961)</u>	\$ <u>1,817,747</u>	\$ <u>736,460</u>	\$ <u>-</u>	\$ <u>250,000</u>	\$ <u>33,533</u>	\$ <u>(125,366)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

18. SEGMENT DISCLOSURE (continued)

	Housing Authority		Other Services		Tobacco Tax		Bulk Fuel		VLT	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue										
Federal Government										
I.S.C.	\$ 25,000	\$	\$	\$	\$	\$	\$	\$	\$	\$
FNIHB										
CMHC	<u>722,345</u>	<u>558,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>747,345</u>	<u>558,659</u>								
Other revenue	<u>942,674</u>	<u>584,940</u>	<u>1,535,644</u>	<u>1,111,075</u>	<u>819,310</u>	<u>1,269,284</u>	<u>639,941</u>	<u>513,588</u>	<u>2,472,799</u>	<u>2,390,331</u>
Total revenue	<u>1,690,019</u>	<u>1,143,599</u>	<u>1,535,644</u>	<u>1,111,075</u>	<u>819,310</u>	<u>1,269,284</u>	<u>639,941</u>	<u>513,588</u>	<u>2,472,799</u>	<u>2,390,331</u>
Expenses										
Amortization	1,361,477	1,114,729					34,712	34,712	27,054	28,249
Debt servicing	237,977	193,181	2,340	4,048	120		15,403	10,410	4,576	4,632
Salaries and benefits	118,410	133,425	298,608	356,183					625,160	650,782
Other	<u>692,629</u>	<u>436,273</u>	<u>1,228,394</u>	<u>755,581</u>	<u>531,437</u>	<u>1,062,749</u>	<u>616,610</u>	<u>529,088</u>	<u>1,190,266</u>	<u>1,809,630</u>
Total expenses	<u>2,410,493</u>	<u>1,877,608</u>	<u>1,529,342</u>	<u>1,115,812</u>	<u>531,557</u>	<u>1,062,749</u>	<u>666,725</u>	<u>574,210</u>	<u>1,847,056</u>	<u>2,493,293</u>
Surplus (Deficit)	<u>\$ (720,474)</u>	<u>\$ (734,009)</u>	<u>\$ 6,302</u>	<u>\$ (4,737)</u>	<u>\$ 287,753</u>	<u>\$ 206,535</u>	<u>\$ (26,784)</u>	<u>\$ (60,622)</u>	<u>\$ 625,743</u>	<u>\$ (102,962)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

18. SEGMENT DISCLOSURE (continued)

	ASETS		Smoke Shop		Medical services		Major Capital		Emergency Measures	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Federal Government										
I.S.C.	\$	\$	\$	\$	\$ 251,847	\$ 427,025	\$ 2,250,993	\$ 583,476	\$ 605,126	\$
FNIHB					7,059,818	6,219,545				
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal					7,311,665	6,646,570	2,250,993	583,476	605,126	
Other revenue	<u>1,205,226</u>	<u>1,604,374</u>	<u>160,167</u>	<u>907,548</u>	<u>860,433</u>	<u>154,675</u>	<u>-</u>	<u>-</u>	<u>142,290</u>	<u>-</u>
Total revenue	<u>1,205,226</u>	<u>1,604,374</u>	<u>160,167</u>	<u>907,548</u>	<u>8,172,098</u>	<u>6,801,245</u>	<u>2,250,993</u>	<u>583,476</u>	<u>747,416</u>	<u>-</u>
Expenses										
Amortization	53,921	65,420	4,071	4,305	210,381	174,327				
Debt servicing	8,118	5,152	120	222	1,339	1,351				
Salaries and benefits	507,331	935,373	42,469	163,343	3,729,564	3,554,525			28,378	
Other	<u>749,676</u>	<u>887,061</u>	<u>112,161</u>	<u>813,852</u>	<u>2,136,228</u>	<u>1,652,499</u>	<u>-</u>	<u>-</u>	<u>319,857</u>	<u>-</u>
Total expenses	<u>1,319,046</u>	<u>1,893,006</u>	<u>158,821</u>	<u>981,722</u>	<u>6,077,512</u>	<u>5,382,702</u>	<u>-</u>	<u>-</u>	<u>348,235</u>	<u>-</u>
Surplus (Deficit)	<u>\$ (113,820)</u>	<u>\$ (288,632)</u>	<u>\$ 1,346</u>	<u>\$ (74,174)</u>	<u>\$ 2,094,586</u>	<u>\$ 1,418,543</u>	<u>\$ 2,250,993</u>	<u>\$ 583,476</u>	<u>\$ 399,181</u>	<u>\$ -</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

18. SEGMENT DISCLOSURE *(continued)*

	TOTAL	
	<u>2020</u>	<u>2019</u>
Revenue		
Federal Government		
I.S.C.	\$35,079,290	\$26,210,126
FNIHB	7,059,818	6,219,545
CMHC	<u>722,345</u>	<u>558,659</u>
Subtotal	42,861,453	32,988,330
Other revenue	<u>13,448,819</u>	<u>11,884,632</u>
Total revenue	<u>56,310,272</u>	<u>44,872,962</u>
Expenses		
Amortization	3,524,640	3,003,215
Debt servicing	370,106	310,665
Salaries and benefits	17,333,456	17,074,237
Other	<u>26,053,470</u>	<u>23,318,164</u>
Total expenses	<u>47,281,672</u>	<u>43,706,281</u>
Surplus (Deficit)	\$ <u>9,028,600</u>	\$ <u>1,166,681</u>